

**Report to the Cabinet**

Meeting to be held on Thursday, 6 October 2022

**Report of the Director of Growth, Environment and Planning**

**Part I**

Electoral Division affected:  
(All Divisions);

**Corporate Priorities:**  
Supporting economic growth;

**Lancashire Community Renewal Fund Progress and Financial Update**

(Appendix 'A' refers)

Contact for further information:

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**Brief Summary**

The report sets out progress in the delivery of the Lancashire County Council Community Renewal Fund programme and the steps required to claim the final tranche of funds from the Government.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

**Recommendation**

Cabinet is asked to approve up to £1.22 million of final grant payments to Community Renewal Fund projects, as set out in Appendix 'A', in advance of the payments being claimed back from UK Government.

**Detail**

The UK Community Renewal Fund is a £220m national fund which was announced in the 2021 Budget and focuses on 4 thematic areas:

- Investment in skills
- Investment for local business
- Investment in communities and place



- Supporting people into employment

All of the UK was eligible to receive funding from the Community Renewal Fund with a number of Priority Places (as defined within the Government's top 100 local areas as most vulnerable to long-term economic scarring as a result of the COVID-19 pandemic). Funds were allocated on a nationally competitive basis with Priority Places receiving greater weight in project appraisals. There are 3 Priority Places in the county council area: Burnley, Pendle, and Rossendale. The remaining Lancashire County Council districts were also eligible to receive Community Renewal Fund resources.

The county council co-ordinated the submission of 18 bids from Lancashire focusing on the national investment themes with additional local targeting. The Government approved 9 projects in the county council area with a total value of £3.41 million, all due to complete by September 2022. A list of the approved projects is attached at Appendix 'A'. The projects are delivering a range of activity such as grant support for business innovation, economic inclusion activity with disadvantaged groups, training in green economy sectors, developing low carbon solutions to make buildings more sustainable and developing the cultural economy. A further report will be submitted once all the projects have completed and final outputs are confirmed.

As part of the Community Renewal Fund financial process, as defined in the Grant Funding Agreement with UK Government, the county council was paid a financial advance. This has been paid out to projects based on evidenced expenditure submitted as part of a monitoring and claims process. As of the end of August 2022 the county council has paid out £2.19 million to projects.

As part of the claims and monitoring process officers have been working with projects to ensure delivery to target and maximise the resources available. As a result, it is envisaged that, despite the challenging delivery circumstances, Lancashire's full Community Renewal Fund allocation will be spent and targets met (in exceptional circumstances projects will be allowed to spend to the end of December 2022, dependent upon Government approval, where the expenditure will result in increased outputs).

The process for claiming the remaining resources due to Lancashire requires the county council to pay Community Renewal Fund projects first and then reclaim the funds from Government. As a result, once project final claims have been processed, from October to January 2023, it is expected that a maximum of £1.22 million will be paid out to projects based upon defrayed and evidenced expenditure. This will need to be temporarily cash flowed from the county council's own resources and is in addition to £2.19 million already paid to projects. Once all the individual project final claims have been paid the county council will submit a claim to Government by the end of February 2023. There is not expected to be any residual funding requirement from the county council beyond the temporary cash flow position.

A full report on the delivery and outputs of the Community Renewal Fund and lessons learned will be submitted once the programme has been closed in 2023.



## Consultations

N/A

## Implications:

This item has the following implications, as indicated:

## Risk management

## External Funding and Investment

If approval is not given to pay Community Renewal Fund projects, in advance of claiming the resources from Government, this will adversely impact the sustainability of project deliverers.

## Financial

There is no long-term funding requirement for the county council and the grant will be claimed from Government as promptly as possible to minimise the amount of time the cash flow funding is outstanding.

## Legal

The recipient organisations have all entered into grant funding agreements that set out the grant requirements and protect the interests of the county council.

## List of Background Papers

Paper	Date	Contact/Tel
Community Renewal Fund - Accountable Body and Bidding Process	2022	Andy Walker/ (01772) 535629

Reason for inclusion in Part II, if appropriate

N/A

